

A Performance Review for Performance Reviews

Introduction: Performance Reviews

The ultimate goal of a performance management system should be to improve performance. “Performance management can make a vital contribution to enhancing individual and organizational performance in a highly competitive business environment” (Atkinson & Shaw 2006: 191) and is a vital factor in business competition (Mayo, 2001).

In order to achieve this an effective performance management system should set clear expectations for employees. When employees know and understand what is expected of them they can and will perform to meet these expectations (Armstrong, 1994). Performance review systems should have a “future-oriented strategic focus [that] is applied to all employees in a workforce in order to maximize their current performance and future potential” (Atkinson & Shaw 2006: 174). A performance management system needs to facilitate effective feedback (ibid). Finally, for a performance review system to be effective performance reviews must be carried out regularly. “You can't measure the effectiveness of the program if the company isn't executing the program correctly” (Cequea, 2014). The relationship between these aspects of the EF performance review system (described below) is summarized in Figure 1.

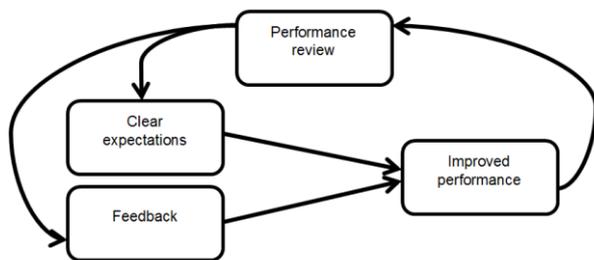


Figure 1: The performance review cycle at EF

There is some controversy as to whether performance reviews are an effective method of managing performance. Sholtes states that “There is nothing to indicate that a company which uses performance appraisal does any better than it would if it did not use performance appraisal” (Scholtes 1996:11).

Introduction: Education First

Education First (EF) is the world’s largest EFL company (Swanson 2013). The main teaching functions in China are:

- EF English Centers for Kids & Teens (Kids & Teens) which provide language lessons for children aged from 3 to 18 in groups of up to 16 learners per class
- EF English Centers (EFEC) for adults with group sizes between four and 25.

Kids & Teens has 51 schools in six cities in China and EFEC has 50 schools, the majority of which are in larger cities. The number of EF schools has increased since 2005 (Figure 2). In EFEC, teachers report to Center Education Managers (CEMs). CEMs are managed by a Center General

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Manager (CGM), usually a former sales manager with a ‘dotted line’ to a Regional Education Manager (REM).

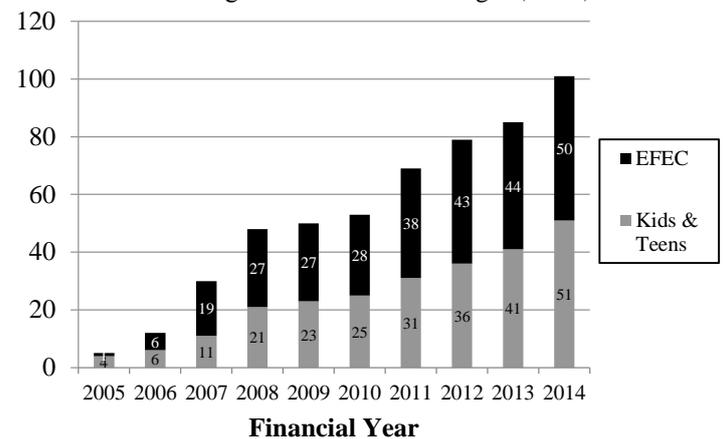


Figure 2: Number of centrally owned EF schools in China

TEFL companies in China generally experience a high level of teacher turnover, with teachers often leaving after one year or less and rarely continuing in their posts for longer than two years. Although all new teachers who work for EF have teaching experience, many recruits have less than one year’s TEFL experience. These inexperienced teachers will clearly have more performance problems than teachers with greater TEFL experience, thus necessitating an effective performance management system.

Consistent with the general business trend in recent years, EF managers have large spans of control (Robbins 2011:442) often managing up to 20 teachers (at the same time as teaching up to 17 hours of classes a week themselves). This results in managers having relatively little time to observe teachers and give feedback and thus manage performance.

Current System

The current EFEC performance review system, launched in June 2013, is based on behavioural competencies. It is linked to the interview process, job descriptions and training, as these all use the same competency set.

The system was developed by considering the competency set of teachers and writing tangible yet non-prescriptive descriptors for each behavioural competency both inside and outside the classroom which importantly allow for diversity in how staff achieve these objectives (Tahvanainen, 2000). Descriptors were weighted 50/50 inside the classroom to outside the classroom as EFEC teachers spend approximately 50% of their working hours teaching. The descriptors were trialled, feedback received, changes made and then the system was rolled out.

Expectations for teachers’ performance are set during teacher onboarding (induction) training, during their first week in EF. Teachers are introduced to descriptors for performance and explore what these mean and consider specific examples.

Teachers are assessed on criteria defined in the Teacher Development Program booklet by their CEM and REM 1-2 weeks prior to the end of probation, after four months and after ten months. A performance review form is completed prior to the review by both the teacher and the CEM while

making reference to the Teacher Development Program performance descriptors. The individual development plan is completed by the teacher and the CEM during the review.

Teachers' pay for their second year contract is based up on their performance review score, determined by how many 'meets expectations' and 'exceeds expectations' descriptors are judged to have met. The highest pay increase possible is 15% and the lowest 2%.

Evaluation

As previously stated, a performance management and review system should

- be carried out consistently
- set clear expectations for employees
- give employees useful feedback
- increase employee performance

To evaluate the EFEC performance review system, surveys were emailed to and completed by the following:

- 26 (out of 39) EFEC CEMs - 67% completion rate
- 44 teachers who had recently passed probation - 50% completion rate
- 114 teachers who renewed their contracts with EF - 70% completion rate

The survey responses from EFEC teachers and Kids & Teens teachers were compared. No comparison between managers in EFEC and Kids & Teens was possible as Kids & Teens managers were not surveyed.

Compliance

21% of teachers in EFEC, who had recently passed probation, reported not having received a performance review and almost twice as many (39%) in Kids & Teens reported the same.

Expectations

EFEC teachers report being clearer about what is expected of them compared with teachers in Kids & Teens (Figure 4). This may be a result of the EFEC performance review relating to the teacher interview, job description and onboarding training. The Kids & Teens performance review system does not relate to any of these.

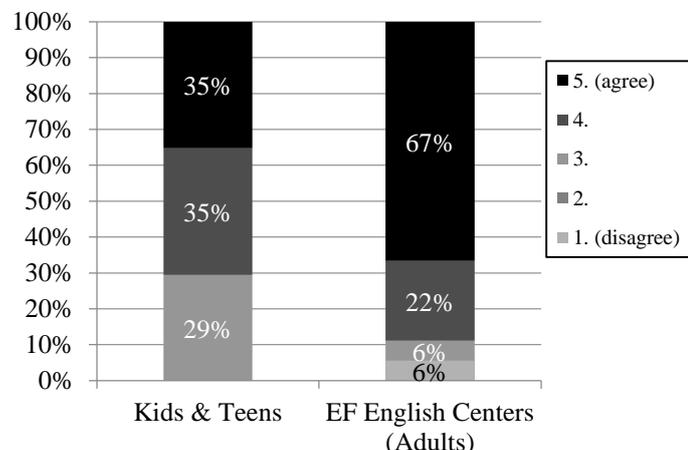


Figure 3: Responses to "I understood what was expected of me before my performance review"

Feedback

47% of teachers in EFEC reported receiving "excellent" feedback from their manager (Figure 5), almost three times more than in Kids & Teens when renewing their contracts. However, different teachers will have different views of what "excellent" constitutes.

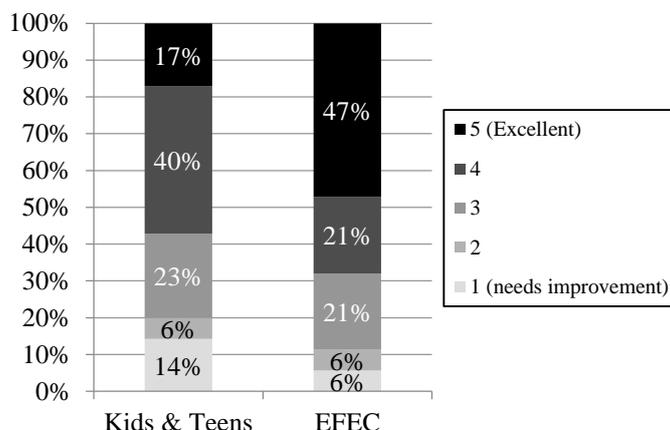


Figure 4: Ratings for "Feedback from your manager" based on 104 responses from teachers who renewed their contracts with EF

Improved Performance

Survey responses indicated that CEMs believe performance reviews were somewhat useful in improving performance but generally more useful as a tool for deciding whether or not teachers should pass probation or have their contracts renewed (Figure 6).

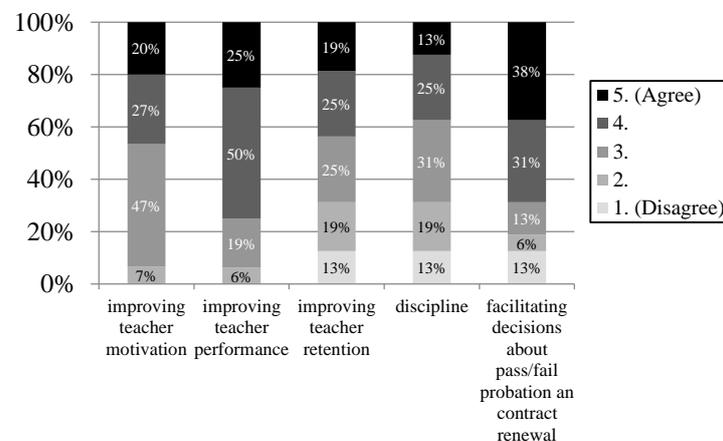


Figure 5: What CEMs consider performance reviews useful for

Overall, the EFEC performance management system can be said to:

- be conducted around 80% of the time
- set clear expectations for the majority (67%) of teachers
- facilitate useful feedback for half of employees
- be somewhat useful at increasing employee performance

Strengths of the current system

1. Relevance

The EFEC appraisal system is linked to other aspects of working at EF (job description, training, etc.) and is representative of how teachers' spend their time at work. 50% of the descriptors are based on teachers' work *inside*

the classroom, and 50% *outside* the classroom (teachers in EFEC spend 21 hours a week teaching, and 19 hours a week outside the classroom). One CEM noted the system “has a strong focus on development for teachers” and another praised “tying in the review with competencies that are shared with other EF staff members”, ensuring that current performance can be linked to future promotion inside and outside EF.

2. Measurement

Performance is notoriously difficult to measure accurately. “When it comes to measuring human performance we use the most unrefined, inaccurate, unreliable, and capricious method we could possibly devise: one human subjectively reviewing another human” (Scholtes 1996: 315). Using observable behaviours as part of a competency based review system appears to help to overcome this difficulty. One CEM commented that the EFEC performance review system made performance “easy to measure, related to concrete observable behaviour” and another commented it was “systematic and objective”. However, there is an issue of behaviour which is carried out but may not be observed.

3. Observation & Feedback

Almost 50% of EFEC teachers were observed three times or more by their manager and almost 90% reported being observed three times or more by peers (Figure 7) during probation. Less than 25% of Kids & Teens teachers were observed three times or more by their manager and the same percentage reported being observed three times or more by peers (Figure 7). This suggests that teachers in EFEC are receiving the feedback necessary to improve during their crucial first two months, especially from peers. This type of 360 degree feedback provides a “process for getting feedback face-to-face directly from who worked closely with an employee” (Ludeman 2000:1).

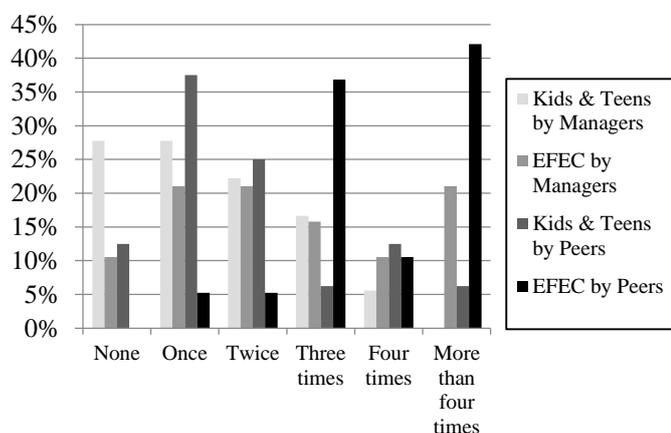


Figure 6: How often teachers were observed during probation

Weaknesses

1. Compensation, not development

The appraisal system is linked with compensation. The problems associated with this are numerous. “Rewards, like punishment, may actually undermine the intrinsic motivation that results in optimal performance. The more a manager stresses what an employee can earn for good work, the less interested that employee will be in the work itself” (Kohn 1993:6). Linking financial rewards to performance “requires robust systems of measurement of achievement, which is acknowledged as being highly problematic” (Campbell, Campbell & Chia 1998), especially in jobs

where performance goals are not objective, quantifiable or capable of being directly measured (e.g. in teaching). One CEM said the link between performance and salary “creates [a] kind of defensive attitude between staff and managers [during performance reviews]. Due to the fact that the final scores will affect the next year’s salary or bonus, when managers give the negative feedback to staff, they will become very defensive or unresponsive and try to argue.”

2. Understand of descriptors

CEMs generally reported feeling unclear on the performance review descriptors. Most constructive feedback from CEMs centred on the descriptors.

CEM comments included:
“Most people would still find it very subjective despite the descriptors given.”
“Competencies are open to interpretation with descriptors lacking in clarity.”
“The switch to competencies was a good one, but the lack of specific performance items has left the review open for broad interpretation, which manager and employee sometimes do not agree upon.”
“Different people have different understanding of each descriptor.”
“All reviews are subjective can suffer from a lack of consistency across centres.”

3. CGM understanding

Many CEMs reported their managers (CGMs) had little understanding of the current performance review system. This was problematic for CEMs not only in delivering performance reviews to their own staff but in receiving performance reviews themselves. Only 13% of CEMs surveyed rated performance reviews they had received themselves in EF between 4 or 5 out of 5. 89% of teachers who had recently passed probation rated the performance reviews they had received as 4 or 5 out of 5 (Figure 8).

CEM comments included:
“CGMs don't understand the system at all.”
“CGMs have very little understanding of the system.”
“My CGM doesn't entirely understand my work and his understanding of the competencies is significantly lower than mine.”
“CGMs and REMs should be more knowledgeable on what the descriptors require of the CEM/teachers.”

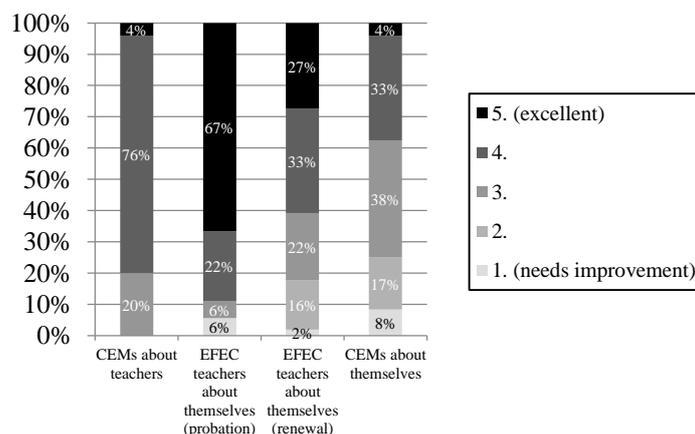


Figure 7: Responses from different surveys on “How useful are performance reviews?”

Recommendations

1. Remove links to salary

This would allow the focus to shift from salary to what one CEM called “more attention paid towards future career development.” Culbert (2008) similarly recommends “performance previews instead of reviews” which are “problem-solving, not problem-creating, discussions about how we, as teammates, are going to work together even more effectively and efficiently than we've done in the past”.

2. CEM Training

CEMs should be periodically trained on both giving effective feedback to teachers. Training on giving feedback is necessary for managers as feedback is “an unnatural act” (McCaffery 1992:3). Furthermore, one third of teachers in EFEC reported not receiving useful feedback from their managers when renewing their contracts (Figure 5). More than 50% of CEMs reported that they would like training on giving feedback to teachers.

CEMs should also be regularly trained on interpreting performance descriptors to ensure standardisation of performance review scores. One CEM said, “The current system is fine if managers are using it the same way across the board. There needs to be some kind of uniformity about how it is interpreted and transparency about how scores are given.”

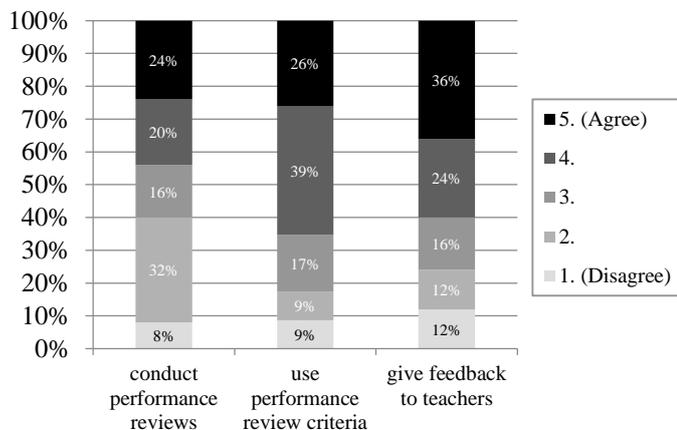


Figure 8: Responses from CEMs on future training topics

3. Training for Teachers

Teachers should be trained on “how to receive feedback”, as suggested by McCaffery (1992) and Porter (1982). Employees generally tend to “behave in ways which cut us off from feedback (either because it causes people to stop giving it to us or because it keeps us from being able to hear it)” (Porter 1982: 1). This action would ensure that feedback is listened to and acted upon.

4. CGM training

Training CGMs on the EFEC performance review system, behavioural competencies and on performance management in general would increase the standard of performance reviews received by CEMs and make delivering performance appraisals easier for CEMs.

5. Continual review

The entire performance review scheme should be continued to be reviewed and data collected on the attitudes and opinions of different stakeholders (teachers, CEMs, CGMs, REMs, etc.) to ensure that the system continues to improve and that problems are resolved.

Conclusions

The EFEC performance management system:

- is conducted around 80% of the time
- sets clear expectations for the majority (67%) of teachers
- facilitates useful feedback for half of employees
- is considered by managers to be somewhat useful at increasing employee performance
- facilitates frequent lesson observation from both managers and peers during probation

The following improvements are recommended to improve the current system:

- Remove links to compensation
- Provide training to CEMs on how to interpret performance review descriptors and how to give feedback to teachers
- Provide training to teachers on how to receive feedback
- Provide training to CGMs and REMs on how to use the EFEC performance review system.

Although not without its flaws, the current EFEC performance review system appears to be significantly more effective than some other performance review systems. One CEM summed this up saying “It’s a very difficult thing to get right! I feel only moderately satisfied with the current system, but it’s still a vast improvement on the other systems I’ve used.”

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